



RESPONSES TO QUESTIONS SUBMITTED REGARDING THE NEW STATE OFFICE BUILDINGS

January 8, 2007

1. For the new \$77 million office building, will the parking structure be able to house everyone in the new building?
Yes. The size of the structure is based upon a standard recommended for the Capitol Complex of 3 parking spaces per 1,000 gross square feet of building.
2. Where will the individuals currently parking on the land where the new \$77 million office building is to be located park?
During construction, parking will be available on various streets, Lot 16, and in the current parking structure located at East Grand and Pennsylvania Avenues. We are also in the process of evaluating a number of issues relating to the sufficiency of parking on the complex and have recently received a report from our consultant on this issue.
3. How were the rankings determined regarding who would be located in the new \$77 million office building?
Combination of 1) lease costs, 2) lease funding source, 3) space size, and 4) lease expiration date.
4. Why are items in yellow [on the list of leases provided in the packet of information previously distributed] not candidates for the new \$77 million office building?
Yellow candidates are either moving into new or renovated facilities, or are in necessary close proximity to the citizens they serve.
5. The report assumes the IUB/OCA building will be paid with bonds that have a 35-year term at 4.4%. Was the Treasurer consulted regarding this assumption and if so does he believe the rate will be met?
Yes, the Treasurer's Office was consulted and provided the 4.4% figure. Additionally, an attorney in the Treasurer's Office assisted in the drafting of the bonding language related to the IUB/OCA building.
6. Why was the full back-up generation not included in the summary of estimated project costs for the new \$77 million office building or the IUB/OCA building?
To provide for a valid comparison between a leased facility and new construction. Leased facilities typically do not include full back-up generation. However, the estimated construction

cost contains contingency funding of over \$9M which we believe, based upon our current construction cost estimates, will be sufficient to cover this cost.

7. Why was MidAmerican Electric Services not estimated in the summary of estimated project costs for the new \$77 million office building or the IUB/OCA?

At the time the construction cost estimates were calculated, MidAmerican was not able to provide this cost estimate in a timely manner. However, MidAmerican has assured us that the cost to the state will be nominal.

8. Finally, for both buildings the report assumes a 3.75% cost plus inflation. How and why was that number determined the way it was versus going out until 2010? Additionally, why 3.75% and not higher or lower rate?

This figure was supplied by AMEC, the construction cost consultant. According to AMEC, this is an industry standard figure for new construction.

9. Currently, the building is within the appropriation. Do you feel confident that all of the assumptions will hold true and it will come in under budget?

We believe, based upon our current cost estimates, that sufficient funds have been appropriated to complete the project as planned. While we cannot guarantee that all assumptions will hold true, we will take every possible step to complete this project within the planned budget.

10. Do you have any recommendations regarding what was required of the report in order to improve it?

As we have worked through this process, there has been some discussion regarding the statutory requirements and their applicability to public sector construction projects. We do not have any recommendations at this time but would welcome the opportunity to continue this discussion during the upcoming session in an effort to improve this process with respect to any future projects.